

FISCAL NOTE

Bill #: HB0744

Title: Rules on best available treatment for wastewater from coal bed methane wells

Primary Sponsor: Maedje, R

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$300,000	\$0
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	(\$300,000)	\$0

☐ Significant Local Gov. Impact

☐ Technical Concerns

☐ Included in the Executive Budget

☐ Significant Long-Term Impacts

☐ Dedicated Revenue Form Attached

☒ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

Department of Environmental Quality (DEQ)

1. Because the development of industry-wide technology based effluent limits (TBEL) requires the application of specialized economic and engineering services, the department would need to implement this provision through the use of contracted services. Existing staff does not have the time or the expertise to complete this complex analysis.
2. Several similar studies using best professional judgment to develop TBEL are under development or have been completed, including studies by the Environmental Protection Agency (EPA), Department of Energy (DOE) and environmental interests, Northern Plains Resource Council (NPRC). Costs of those efforts demonstrate possible costs of this effort. Government analyses (EPA and DOE) initiated their studies in 2001. EPA has incurred at least \$250,000 in contracting and have not completed the studies. Therefore, DEQ estimates the cost to be \$300,000.
3. Elements in the contract would include: work plan and reporting, characterization (chemistry and volume) of the produced water, identification and description of water management measures and potential control measures, determination of technical feasibilities of measures within the likely development areas in Montana, and description of environmental impacts of each measure. Each management and control measure requires analysis of the potential benefits and limitations and pollutant removal efficiencies.

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(continued)

Economic analysis, including modeling, is required for each proposed management and control measure to determine full feasibility. Analyses will include guidance for best professional judgment analysis and for regulatory flexibility for small operations.

4. There is a possibility that portions of the EPA studies can be utilized in the analysis required by this bill. However, as the EPA studies are not complete, DEQ cannot determine if and what could be incorporated.
5. As the bill does not provide a funding source, general fund is assumed to fund these duties.

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$300,000	\$0
<u>Funding of Expenditures:</u>		
General Fund (01)	\$300,000	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$300,000)	\$0